CANADA DEVELOPMENT INVESTMENT CORPORATION

CDIC

SUMMARY OF CORPORATE PLAN
for
2011 - 2015
and
CAPITAL BUDGET for
2011

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1.0 HIGHLIGHTS OF CDIC'S FIVE YEAR CORPORATE PLAN

During 2010 Canada Development Investment Corporation ("CDIC" or "the Corporation") was actively involved in the government corporate asset review programme. The review of various assets was commenced some of which will be completed by the end of the year.

CDIC, through its wholly owned subsidiary Canada GEN Investment Corporation ("GEN"), participated actively with General Motors Company ("GM") and other shareholders in GM's planned Initial Public Offering (IPO).This is likely to result in a sale of some of GEN's holdings prior to year end 2010.

Canada Hibernia Holding Corporation ("CHHC") participated in negotiations for development of the south extension of the Hibernia field ("HSE") which were successfully concluded with the Province of Newfoundland and Labrador in 2010. CDIC and CHHC have been assisting the federal government in its negotiations over the terms of its 10% Net Profits Interest (NPI) in Hibernia.

CDIC's main objectives for the five-year period, described in more detail in Section 4, are as follows:

- To continue to provide financial, legal or technical analysis of those corporate holdings of Her Majesty the Queen in right of Canada (Canada) as requested by the Minister to assist with the government's review of corporate assets in its endeavour to ensure the government's use of resources is efficient, effective and focused on priorities.
- To manage its investment in CHHC's 8.5% interest in the Hibernia offshore oil development project ("Hibernia") to achieve optimum return, while ensuring that the financial and other obligations associated with the 8.5% ownership are satisfied.
- To have the 8.5% interest in Hibernia ready for divestiture when so consented to by the Minister of Finance.
- Appendix B sets out the Corporate Plan Summary of CHHC for the planning period.
- To manage CDIC's investment in Canada Eldor Inc. ("CEI") which exists solely to settle its remaining obligations, with respect to retiree pensions, funding clean up of waste sites, and the defence of legal actions. These are described in greater detail in Section 4.
- To manage GEN's investment in GM and to sell this investment when appropriate.
- To manage CH's investment in Chrysler Group LLC ("Chrysler") and to sell this investment when appropriate.

2.0 MANDATE

CDIC has a very broad mandate and was incorporated to provide a commercial vehicle for Government equity investment and to manage commercial holdings of Canada. Its primary objective is to carry out its activities in the best interests of Canada, operating in a commercial manner.

In 2007, the Minister of Finance indicated that the future operations of CDIC "should reflect a future focused on the ongoing management of its current holdings in a commercial manner, providing assistance to the Government in new policy directions suited to CDIC's capabilities, while maintaining the capacity to divest CDIC's existing holdings, and any other government interests assigned to it for divestiture, upon the direction of the Minister of Finance".

2.1 Corporate Governance

CDIC is managed by a staff based in Toronto headed by the Executive Vice-President, who works closely with consultants, legal counsel, the Board and management of its subsidiaries to ensure the effective functioning of the Corporation and all subsidiaries. CHHC has separate management based in Calgary.

The Chairman of the Board assesses the effectiveness of the Board, with input from all of the directors. The Board carries out its responsibilities for the financial statements of the Corporation through its Audit Committee. Attendance at Board and committee meetings is outstanding and each director dedicates appropriate time outside of board meetings to the supervision of the Corporation. See Appendix A for the Corporation's organization chart and current listing of CDIC's Board and officers.

Corporate governance is dealt with by the Nominating and Governance Committee, which continues to review CDIC's governance practices in the spirit of continuous improvement and to address new requirements. In addition, the committee assists in determining the composition and structure of the Board and recommending to the Governor- in-Council candidates for Board membership and for the position of Chair.

The Corporation reports to Parliament through the Minister of Finance. CDIC maintains a website and holds annual public stakeholder meetings.

3.0 CORPORATE PROFILE

CDIC was incorporated in 1982 and has historically been used as a means of ensuring that the Government's interests have been managed with a commercial focus and made more effectively accountable. Accordingly, CDIC was given responsibility for the Government's investments in:

- Massey Ferguson
- Canadair Limited
- The de Havilland Aircraft of Canada Limited
- Eldorado Nuclear Limited (now Canada Eldor Inc. (CEI))
- Teleglobe Canada
- Canada Development Corporation
- Fishery Products International Limited, National Sea Products Limited and Pecheries Cartier Inc.

In 1984, CDIC began to divest these holdings as directed by the Minister of Finance ("the Minister"). Since this time, CDIC has successfully divested the above assets and has assisted the Government in the divestiture of other holdings. CDIC's accomplishments can be summarized as follows:

Company	Year	Proceeds ($millions)
Canadair Limited	1986	$ 140
De Havilland Aircraft of Canada Ltd.	1986	90
Teleglobe Canada	1987	505
Fishery Products International Limited	1987	104
Canada Development Corporation	1986/87	361
Nordion International Inc.	1991	165
Varity Corporation (warrants and common shares)	1987/91	9
Telesat Canada	1992	155
Cameco Corporation ("Cameco")	1992-1995	320
Co-Enerco Resources Ltd.	1993	74
Ginn Publishing Canada Inc.	1994	10
Varity Corporation (preferred shares)	1996	31
Theratronics International Limited	1998	15
Air Canada warrants	2010	2
		$ 1,981

In addition some shares of GM may be sold before year end 2010.

In 1993 CHHC was created to acquire, hold and manage an 8.5% interest in the Hibernia offshore oil development project ("Hibernia"). This holding has been held ready for sale since 1999 and the Board of CDIC has informed the Minister of its readiness for sale on several occasions since that date.

In 2009 CDIC implemented Governor in Council directives to establish two new subsidiaries, Canada CH Investment Corporation ("CH") and Canada GEN Investment Corporation ("GEN") to hold Canada's equity interest in Chrysler and GM respectively. CDIC also received warrants for shares in Air Canada from Export Development Canada ("EDC") as a part of the refinancing of that company.

4.0 OBJECTIVES, STRATEGIES AND PERFORMANCE MEASURES FOR THE PERIOD JANUARY 2011 TO DECEMBER 2015

CDIC's Board of Directors establishes appropriate implementation procedures to carry out its mandate.

In conducting its oversight function, this plan assumes that:

As the shareholder of the wholly owned subsidiaries, oversight of CEI, CH and GEN will continue to be performed by CDIC staff and managed by the Boards of Directors of each respective company.

- CDIC will continue to monitor the operations of CHHC, particularly its capacity for ongoing management of the 8.5% interest in the project, and its potential for divestiture. CHHC's Board of Directors and management will be responsible for the ongoing operational strategy and management of CHHC.

Section 5.1 further discusses the financial assumptions for the Proforma Financial schedules included as part of this Corporate Plan Summary. A summary of CHHC's plan is attached as Appendix B.

4.1 Canada Development Investment Corporation

CDIC's objectives are:

- To manage the Corporation's investment in CHHC, GEN, CH and continue to oversee the management of CEI's obligations.

- To continue to manage the portions of the asset review programme assigned to it.

- To manage other issues which may arise, and to remain prepared to assume management and divestiture of any other interests of Canada assigned to it for divestiture, in a commercial manner.

4.2 Canada Hibernia Holding Corporation

CDIC currently supervises the management of this investment through general oversight by its Board of Directors and direct oversight by the Board of Directors of CHHC and its senior staff.

CHHC will continue to manage its 8.5% interest in Hibernia and shares of Hibernia Management and Development Company Ltd. on a commercial basis.

All appropriations received from 1993-1998, totalling $430.97 million, have been returned to Canada. As at September 30, 2010 CHHC paid $1.27 billion in dividends to CDIC. See Appendix B for CHHC's Corporate Plan Summary.

4.3 Canada Eldor Inc. (previously known as Eldorado Nuclear Limited)

Pursuant to the sale of its operating assets to Cameco in 1988, CEI is responsible for certain liabilities and outstanding litigation. CEI's primary remaining obligations are those pursuant to the Purchase and Sale Agreement and litigation, and include the following:

Historic Waste – Port Hope

Port Hope is the site of a uranium refinery formerly operated by Eldorado and now by Cameco as a result of the Purchase and Sale agreement in 1988. The historic waste in Port Hope originated from radium and uranium operations of Eldorado Nuclear Limited, from the 1930's. As a result of these past refinery operations, CEI had accumulated significant quantities of waste materials prior to the Purchase and Sale Agreement in 1988. CEI has a financial obligation to Cameco to share the cost of disposal of waste existing at that time. This waste is primarily located in the Welcome Waste Site and the Port Granby Waste Site, near Port Hope, Ontario. Neither of these sites has accepted additional waste material since 1988. There is a formula in the agreement for sharing costs related to these wastes whereby Cameco assumed liability for the first $2 million of joint costs. The next $98 million in joint costs will be shared 23/98ths by Cameco, and 75/98ths by CEI. CEI is liable for joint costs in excess of $100 million.

In March 2004, an agreement was signed by Canada, Cameco and CEI which allows the government to acquire the Port Granby and Welcome Waste Sites from Cameco. The government has acquired the Welcome Site and will likely acquire Port Granby upon completion of the environmental assessment process. On exercise of that option, the agreement stipulates that Cameco would make payments to CEI for the remaining portion of their joint cost obligation (i.e. the balance of $25 million) in five equal annual instalments. Receipt of these payments has not been reflected in the current financial plan as the completion of transfer is not currently known. When the federal government assumes ownership of the waste sites, all future costs of decommissioning and clean up will be borne by the government and CEI will no longer have any obligation for these costs.

CEI would, though, continue to have an obligation to fund the cost of other historic waste. The definition of what constitutes this waste is under dispute between CEI and Cameco. As a result, $6.83 million in invoices for 2005-2009 remain outstanding, including $2.95 million for 2009, as these amounts are in dispute.

Site Restoration – Beaverlodge

Beaverlodge is a former uranium mine site which has been inactive since prior to the sale of Eldorado assets to Cameco. Pursuant to the Purchase and Sale Agreement, CEI is responsible for all costs associated with the decommissioning of this site which was transferred to Cameco at the time of the sale. Cameco is responsible for the monitoring and management of the site and CEI reimburses Cameco for actual costs plus a 15% management fee.

The current lease between Cameco and the Province of Saskatchewan has been extended to December 2026. It can be cancelled once Cameco has met, to the satisfaction of the Province of Saskatchewan, the specified targets for decommissioning and reclamation.

On an annual basis Cameco updates its work plan and cost estimate for the balance of this project. As at September 30, 2010 costs are estimated at $10 million and the project is scheduled to be completed in 2019.

The Province of Saskatchewan has set up a process whereby it assumes management of sites in exchange for a payment once the sites have been deemed to meet certain standards and are stable. Eventually the whole Beaverlodge site is planned to be transferred to the Province. Several of the peripheral sites have been transferred to the Province. Future transfers are not likely until late 2012.

Retiree Benefits - Eldorado Retirees

Pursuant to the Purchase and Sale Agreement, CEI is responsible for the management of the benefit plan for all Eldorado and Eldor employees who retired prior to October 1988. These benefits include life insurance, health and dental benefits. As of September 30, 2010 there were 247 former employees in this plan which is administered through Cameco. CEI has accrued $2.2 million in its financial statements for this liability. An actuarial valuation was performed by Aon as at December 31, 2008 and an extrapolation of these results was prepared at December 31, 2009. CEI will have an updated valuation prepared in 2011.

4.4 Canada CH Investment Corporation

In 2009 the Governor in Council directed CDIC to acquire equity in Chrysler Corporation or its successor. CDIC established CH which acquired and holds an approximate 2.5% (which may be diluted to 2% by Fiat acquiring additional shares in certain circumstances) equity interest in Chrysler formed in Delaware, U.S.A.

CDIC supervises the management of this investment through general oversight by the Board of Directors of CDIC and its senior staff and direct oversight by the Board of Directors of CH.

4.5 Canada GEN Investment Corporation

In 2009 the Governor in Council directed CDIC to acquire equity in General Motors Corporation or its successors. CDIC established GEN which acquired and holds approximately 11.7% of the common shares of GM (a Delaware U.S.A. corporation) and US $402 million of the 9% cumulative preferred shares of that company (4.5% of the aggregate number).

CDIC supervises the management of this investment through general oversight by its Board of Directors and senior staff and direct oversight by the Board of Directors of GEN.

GEN received US $6.54 million in dividends from GM on September 15, 2009 and regular quarterly payments of US $9.06 million beginning in December 2009.

GM is planning an IPO by year end 2010; however, CDIC's financial projections do not forecast the sale of GM equity in 2010 and succeeding years since the timing is not certain and is dependent on market conditions.

4.6 Risks and risk mitigation

CDIC and its subsidiaries are subject to a number of risks. Those related to CHHC are detailed in its Corporate Plan Summary.

CEI is subject to considerable liabilities, as discussed above, due to its undertakings to Cameco as part of the 1988 Purchase and Sale agreement. CEI has approximately \$11 million in short term investments and \$34 million in funds deposited with the CRF. Whether these funds are adequate reserves is unknown due to the potential liabilities related to the 1988 agreement and other lawsuits which CEI faces.

GEN has no known liability at this time; however its primary asset is likely to be sold in both the United States and Canada through a series of public share issues. Under the laws of the U.S. Securities and Exchange Commission (SEC) and Canadian securities commission, selling shareholders have potential liability to purchasers under some circumstances. As GEN's sole source of funds is from its holdings in GM, CDIC intends that it or GEN will maintain a \$50 million fund to cover liabilities until such time as the Directors of GEN believe there is no significant likelihood of any liability.

CH has no source of income at present. Like GEN it will be subject to liability if and when it sells its investment in Chrysler. In the meantime CH's costs are being financed by CDIC.

For GEN and CH, if a market commences for the preferred and common GM shares and the Chrysler membership interests, the fair value of these investments will be exposed to market price risk.

CDIC has no significant known liabilities at present. However it is undertaking significant work for the Minister under the asset review programme. As the level and type of activity under this programme is hard to project, CDIC maintains a working capital level of \$20 million to provide for possible costs.

5.0 FINANCIAL PLAN

CDIC's five-year financial plan for 2011-2015 is based on the key planning assumptions which are summarized below in section 5.1 and reflect the resources necessary to carry out the objectives and strategies as described in section 4. Financial projections assume management and the Board will continue to closely monitor and manage costs.

5.1 Key Assumptions of Five- Year Financial Plan

Included in this document are five-year proforma financial projections as follows:

Schedule 1 - Statements of Financial Position
Schedule 2 - Statements of Cash Flow
Schedule 3 - Statements of Comprehensive Income and Statements of Equity
Schedule 4 - Statements of Operations
Schedule 5 - Schedule of Investments

The proforma financial schedules in this Corporate Plan Summary are based on the following key assumptions:

Canada Development Investment Corporation

- Operating Costs - Forecast administration costs are $1.63 million annually throughout the planning period. Increase is primarily due to additional staffing requirements to manage the additional responsibilities. Divestiture and asset review costs are projected to be $4.5 million for 2011 and $3.0 million thereafter.

Canada Hibernia Holding Corporation

- Operating Revenues and Costs – CHHC's revenues and costs are discussed in detail in Appendix B.

Canada Eldor Inc.

- Historic Waste - Financial projections estimate the current liability of $11.1 million being paid out over 2011 and 2012. As noted in section 4.3, the definition of "Joint Costs" is in dispute and invoices for 2005-2010 have not been paid however we are projecting that the settlement will be reasonably close to the current accrued liability. Canada has exercised some of its rights under the 2004 agreement allowing it to take over the Welcome and Port Granby Waste sites from Cameco. The financial effect thereof is not reflected in the financial projections, however, due to the uncertain timing of completion.

Canada GEN Investment Corporation

- Preferred shares – Preferred shares are redeemed at the end of 2014 at par value.

5.2 Accounting issues and IFRS

The Corporation's financial statements are currently prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP). CDIC's conversion to International Financial Reporting Standards (IFRS) has been mandated by the Accounting Standards Board (AcSB) by January 1, 2011, including comparative figures for the prior year. CDIC has developed an implementation plan to ensure compliance and a smooth transition. Senior management and the audit committee are involved in the process and KPMG has been engaged to provide technical advice.

CDIC has evaluated key accounting policy alternatives and preliminary recommendations and decisions were presented to the Board in October. We do not expect a significant change to IT systems and procedures given the size of CDIC's operations.

The first set of annual financial statements of CDIC presented in accordance with IFRS will be for the year ended December 31, 2011. The Corporation must prepare IFRS compliant quarterly financial statements beginning April 1, 2011. CDIC has not yet finalized our analysis of the full accounting impact of adopting IFRS and the impact on the opening balances at January 1, 2010

The financial proforma schedules in this plan are based on CDIC's preliminary expected IFRS 1 adjustments and policy selections using information currently available.

5.3 Capital Budget

Neither CDIC, nor its wholly owned subsidiaries CHHC, CEI, CH or GEN require any capital funding for the 2011 fiscal year.

6.0 CORPORATE PERFORMANCE FOR 2010

6.1 Assessment of Previous Year's Results

CDIC's actual performances in 2010 as compared to the objectives outlined in its 2010-2014 Corporate Plan are as follows:

Canada Development Investment Corporation

- Asset reviews were were commenced prior to September 30, 2010 of which some are likely to be completed prior to year end 2010. Work performed included compiling statements of work, issuing RFP's, determining who should perform the work, interacting with consultants and managers of the entity under review, monitoring the work of the consultants and review of the final product with the Department of Finance.

- CDIC increased its cash reserves to $20 million during the year through the holdback of dividends from CHHC.

- In 2009 CDIC acquired warrants to purchase 1,666,666 Class A variable voting or class B voting Air Canada shares. These warrants were sold in 2010. The net proceeds were $1.87 million with CDIC recognizing a gain of $1.23 million above the book value of $633,000.

Canada Hibernia Holding Corporation

CDIC continued to manage, as shareholder, CHHC's 8.5% interest in Hibernia pursuant to a Memorandum of Understanding with the government ("the MOU").

- Negotiations on HSE with Hibernia owners and the Province of Newfoundland and Labrador were concluded in early 2010; negotiations with Canada are expected to be completed prior to year end 2010.

Canada Eldor Inc.

CDIC has continued to manage CEI's remaining obligations including those pursuant to the Purchase and Sale Agreement between CEI and Cameco.

- ***Port Hope – Welcome Waste Site & Port Granby Waste Site***

CEI continues to share the costs of disposing of accumulated wastes as per the Purchase and Sale Agreement.

Since 2007 CEI has challenged Cameco's interpretation of "Joint Wastes" under the 1988 Purchase and Sale Agreement. CEI has not paid 2005-2010 invoices from Cameco due to this disagreement. CEI has sought arbitration with Cameco in order to resolve this disagreement.

- ***Beaverlodge***

Cameco continues to monitor and manage the Beaverlodge site and provides CEI with monthly invoices indicating costs incurred. These have been paid after review by CEI. Several peripheral sites have been transferred to the Province of Saskatchewan and more sites will be transferred in the future.

- ***Eldorado retirees***

CEI paid approximately $230,000 to cover claims and premiums for the benefit plan of retired employees. Currently there are 247 former employees covered by benefits which are administered by Cameco. CEI has recorded $2.2 million at September 30, 2010 as a provision for this post-retirement benefit obligation.

Canada CH Investment Corporation

- In 2009, CH acquired approximately 2.5% of the equity in Chrysler, a successor to Chrysler Corporation. CDIC management actively monitors reports from Chrysler and external consultants.

Canada GEN Investment Corporation

- In 2009, GEN acquired common and preference shares, approximately 11.7% of the common equity and $402 million par value preference shares, in GM.
- In 2010, GM paid dividends to GEN on its preferred shares totalling US $27.2 million to the end of September 30, 2010 and an additional US $9.06 million is anticipated on December 15, 2010. CDIC received a letter from the Minister of Finance instructing CDIC to pay one third of this income directly to the Province of Ontario after conversion to Canadian dollars and net of its expenses and working capital. As of October 15, 2010 GEN has paid $40.3 million CAD to CDIC and CDIC paid $25.76 million CAD to Canada and $12.88 CAD million to the Province of Ontario.
- GEN has been active in communicating with departments of the government and the government of Ontario on developments affecting its holdings in GM. GEN hired Rothschild Inc. as financial advisors to assist it in determining a course of action on disposal of its shares in GM. GM has indicated it intends to have an IPO late in 2010. GEN has participated in IPO related preparations.

6.2 Financial Overview for 2010

As disclosed in Schedule 2, CDIC's dividend income from CHHC for 2010 is forecast at $126.0 million. CDIC held back $10.0 million from dividends received before paying these dividends to the government allowing CDIC to increase its cash reserves to approximately $20.0 million.

GEN has forecast operating costs of $4.63 million CAD. This greatly exceeded initial estimates as it was not anticipated that GM would attempt an IPO in 2010.

Schedule 1 - Proforma Statements of Financial Position

Canada Development Investment Corporation
Proforma Statements of Financial Position
Years Ended December 31, 2009 to 2015
$ millions

	GAAP		IFRS						
	2009 Actual	2010 Plan	2010 Opening	2010 Forecast	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan
Assets									
Currents assets:									
Cash and cash equivalents	105.42	91.75	105.42	90.64	93.49	94.23	93.02	98.46	94.74
Other	29.99	22.73	47.32	25.87	57.71	39.46	18.41	18.50	8.46
	135.40	114.48	152.74	116.51	151.20	133.69	111.43	116.96	103.20
Non current assets:									
CRF	44.35	34.59	44.36	39.52	29.74	21.90	21.06	19.21	17.84
Cash abandonment fund	93.68	94.67	93.68	94.05	94.91	95.96	96.82	97.79	98.77
Cash held in Escrow	2.55	2.55	2.55	5.69	5.69	5.69	5.69	5.69	5.69
Capital assets	122.71	133.36	122.71	105.01	113.36	105.74	107.20	118.58	102.20
Investments	3,147.63	-	3,712.63	3,700.30	3,691.97	3,682.09	3,677.22	3,265.00	3,265.00
	3,410.92	265.17	3,975.92	3,944.57	3,935.67	3,911.38	3,907.99	3,506.27	3,489.50
	3,546.32	**379.65**	**4,128.66**	**4,061.08**	**4,086.87**	**4,045.06**	**4,019.42**	**3,623.23**	**3,592.70**
Liabilities and Shareholder's Equity									
Current liabilities	58.69	26.12	58.69	41.63	41.26	30.31	30.31	29.61	29.14
Long term liabilities	62.18	79.46	73.29	67.97	48.73	48.68	49.47	49.15	54.25
Shareholder's Equity									
Capital stock	-	-	-	-	-	-	-	-	-
Contributed surplus	3,912.18	743.18	3,912.18	3,912.18	3,912.18	3,912.18	3,912.18	3,912.18	3,912.18
Retained earnings (deficit)	(486.72)	(469.11)	84.50	39.31	84.71	53.89	27.47	(367.71)	(402.86)
	3,425.46	274.07	3,996.68	3,951.49	3,996.89	3,966.07	3,939.65	3,544.47	3,509.32
	3,546.32	**379.65**	**4,128.66**	**4,061.06**	**4,086.87**	**4,045.06**	**4,019.42**	**3,623.23**	**3,592.70**

(1) see Appendix B - CHHC Plan Summary - Schedule I for details

The financial projections in this plan are based on CDIC's preliminary expected IFRS 1 adjustments and policy selections using information currently available.

Schedule 2 - Proforma Statements of Cashflow

Canada Development Investment Corporation
Proforma Statements of Cashflow
Years Ended December 31, 2009 to 2015
$ millions

	GAAP		IFRS					
	2009 Actual	2010 Plan	2010 Forecast	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan
CDIC								
Operating activities:	89.60	115.93	169.77	130.99	164.29	156.89	118.56	100.47
Financing activities:	(89.00)	(107.45)	(164.30)	(130.05)	(163.60)	(157.41)	(119.21)	(100.08)
Investment activities:	-	-	1.87	-	-	-	-	-
Change in cash	0.60	8.48	7.34	0.94	0.69	(0.52)	(0.65)	0.39
Cash, beginning of year	11.31	11.33	11.91	19.25	20.19	20.89	20.37	19.72
Cash, end of year	**11.91**	**19.81**	**19.25**	**20.19**	**20.89**	**20.37**	**19.72**	**20.12**
CEI								
Operating activities:	(2.32)	(6.21)	(2.77)	(6.99)	(8.11)	(1.52)	(1.27)	(1.08)
Financing activities:	-	9.77	4.84	9.78	7.84	0.84	1.86	1.37
Change in cash	(2.32)	3.56	2.07	2.80	(0.27)	(0.68)	0.59	0.29
Cash, beginning of year	10.02	8.00	7.71	9.77	12.57	12.29	11.61	12.20
Cash, end of year	**7.71**	**11.56**	**9.77**	**12.57**	**12.29**	**11.61**	**12.20**	**12.48**
CH								
Operating activities:	(0.29)	(0.18)	(0.49)	(0.33)	(0.33)	(0.33)	(0.33)	(0.33)
Financing activities:	0.60	0.30	0.30	0.50	0.60	0.30	0.30	0.30
Change in cash	0.31	0.12	(0.19)	0.17	0.27	(0.03)	(0.03)	(0.03)
Cash, beginning of year	-	0.02	0.31	0.12	0.29	0.56	0.53	0.50
Cash, end of year	**0.31**	**0.14**	**0.12**	**0.29**	**0.56**	**0.53**	**0.50**	**0.47**
GEN								
Operating activities:	16.21	38.67	32.21	32.58	32.58	32.58	32.58	(4.37)
Financing activities:	-	(38.67)	(48.00)	(32.55)	(32.55)	(32.55)	(437.05)	-
Investment activities:	-	-	-	-	-	-	410.00	-
Change in cash	16.21	-	(15.79)	0.03	0.03	0.03	5.53	(4.37)
Cash, beginning of year	-	0.30	16.21	0.42	0.45	0.48	0.51	6.04
Cash, end of year	**16.21**	**0.30**	**0.42**	**0.45**	**0.48**	**0.51**	**6.04**	**1.67**
CHHC								
Operating activities	107.93	119.23	146.35	139.10	159.77	168.63	133.93	134.24
Financing activities	(92.96)	(83.68)	(127.23)	(105.26)	(138.00)	(130.28)	(92.08)	(105.99)
Investment activities	(18.31)	(37.19)	(27.31)	(34.46)	(22.23)	(38.35)	(41.85)	(28.25)
Change in cash	(3.34)	(1.64)	(8.19)	(0.62)	(0.46)	(0.00)	0.00	0.00
Cash, beginning of year	72.61	61.64	69.27	61.08	60.46	60.00	60.00	60.00
Cash, end of year	**69.27**	**60.00**	**61.08**	**60.46**	**60.00**	**60.00**	**60.00**	**60.00**

(1) see Appendix B - CHHC Plan - Schedule III for details

The financial projections in this plan are based on CDIC's preliminary expected IFRS 1 adjustments and policy selections using information currently available.

Schedule 3 - Proforma Statements of Comprehensive Income and Statement of Equity

Canada Development Investment Corporation
Proforma Statements of Comprehensive Income and Statement of Equity
Years Ended December 31, 2009 to 2015
$ millions

	GAAP		IFRS						
	2009 Actual	2010 Plan	2010 Opening	2010 Forecast	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan
Proforma Statements of Comprehensive Income (loss)									
CDIC									
Net operating income (loss) (1)	(2.36)	(4.98)		(3.75)	(5.83)	(4.33)	(4.33)	(4.33)	(4.33)
Gain on sale of Air Canada warrants	-	-		1.24	-	-	-	-	-
Change in fair value of investments	0.63	-		-	-	-	-	-	-
	(1.73)	(4.98)		(2.51)	(5.83)	(4.33)	(4.33)	(4.33)	(4.33)
CEI									
Net operating income (loss) (1)	(0.13)	(0.13)		(0.38)	(0.01)	(0.04)	(0.05)	(0.07)	(0.08)
Retiree benefit costs	(0.20)	(0.21)		(0.16)	(0.16)	(0.16)	(0.16)	(0.16)	(0.16)
Site restoration costs	(2.64)	-		-	-	-	-	-	-
	(2.97)	(0.34)		(0.53)	(0.16)	(0.20)	(0.20)	(0.22)	(0.23)
CH	(0.39)	(0.18)		(0.49)	(0.33)	(0.33)	(0.33)	(0.33)	(0.33)
GEN									
Net operating income (loss) (1)	16.10	38.67		32.32	32.58	32.58	32.58	32.58	(4.37)
Gain (loss) on sale of pref shares	-	-		-	-	-	-	(2.21)	-
Change in fair value of pref shares	(22.00)	-		(11.70)	(8.33)	(9.88)	(4.88)	-	-
	(5.90)	38.67		20.62	24.25	22.70	27.70	30.37	(4.37)
CHHC	80.62	64.88		101.72	157.02	114.33	107.85	102.74	73.88
Net income	**69.63**	**98.05**		**118.81**	**174.95**	**132.18**	**130.70**	**128.23**	**64.62**

Proforma Statements of Equity

	GAAP		IFRS						
Closing contributed surplus	3,912.18	743.18	3,912.18	3,912.18	3,912.18	3,912.18	3,912.18	3,912.18	3,912.18
Closing retained earnings (deficit)	(486.72)	(469.11)	84.50	39.31	84.71	53.89	27.47	(367.71)	(402.86)
Total Shareholder's Equity	3,425.46	274.07	3,996.68	3,951.49	3,996.89	3,966.07	3,939.65	3,544.47	3,509.32

(1) see Schedule 4 - Operating budget for details
(2) see Appendix B - CHHC Plan Summary - Schedule II for details

The financial projections in this plan are based on CDIC's preliminary expected IFRS 1 adjustments and policy selections using information currently available.

Schedule 4 - Proforma Statements of Operations

Canada Development Investment Corporation
Proforma Statements of Operations
Years Ended December 31, 2009 to 2015
$ millions

	GAAP		IFRS					
	2009 Actual	2010 Plan	2010 Forecast	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan
CDIC								
Operating income	0.25	0.25	0.24	0.30	0.30	0.30	0.30	0.30
Operating expense	2.61	5.23	3.99	6.13	4.63	4.63	4.63	4.63
Net operating income (loss)	(2.36)	(4.98)	(3.75)	(5.83)	(4.33)	(4.33)	(4.33)	(4.33)
CEI								
Operating income	0.24	0.28	0.22	0.30	0.26	0.26	0.24	0.23
Operating expense	0.38	0.40	0.60	0.30	0.30	0.30	0.30	0.30
Net operating income (loss)	(0.13)	(0.12)	(0.38)	(0.01)	(0.04)	(0.05)	(0.07)	(0.08)
CH								
Operating expense	0.39	0.18	0.49	0.33	0.33	0.33	0.33	0.33
Net operating income (loss)	(0.39)	(0.18)	(0.49)	(0.33)	(0.33)	(0.33)	(0.33)	(0.33)
GEN								
Dividend income	16.54	38.85	36.95	36.95	36.95	36.95	36.95	-
Operating expense	0.44	0.18	4.63	4.37	4.37	4.37	4.37	4.37
Net operating income (loss)	16.10	38.67	32.32	32.58	32.58	32.58	32.58	(4.37)
CHHC								
Total revenue	201.93	183.36	229.22	262.66	218.85	220.23	193.78	174.63
Total expense	83.75	86.82	71.33	45.14	51.92	63.43	52.07	61.14
Income taxes	37.56	31.66	56.17	60.50	52.60	48.95	38.97	39.61
Net operating income (loss)	80.62	64.88	101.72	157.02	114.33	107.85	102.74	73.88
Total net operating income (loss)	93.83	98.27	129.42	183.44	142.21	135.73	130.60	64.78

Note -see Appendix B for CHHC's operating budget

The financial projections in this plan are based on CDIC's preliminary expected IFRS 1 adjustments and policy selections using information currently available.

Schedule 5 - Schedule of Investments

Canada Development Investment Corporation
Proforma Schedule of Investments
Years Ended December 31, 2009 to 2015
$ millions

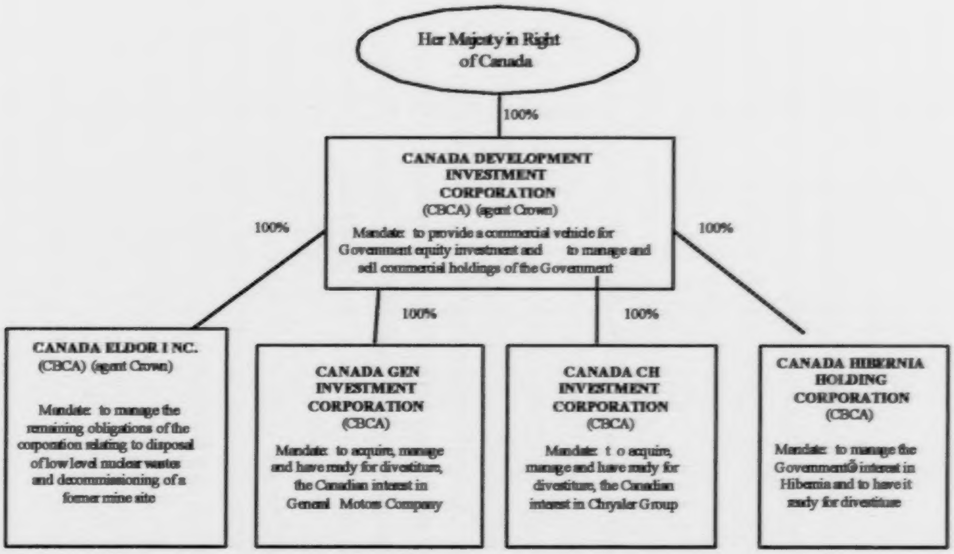
Schedule of Investments	GAAP		IFRS						
	2009 Actual	2010 Plan	2010 Opening	2010 Forecast	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan
Held-for -trading									
Preferred shares in GM	447.00	-	447.00	435.30	426.97	417.09	412.22	-	-
Common share warrants in Air Canada	0.63		0.63						
	447.63	-	447.63	435.30	426.97	417.09	412.22	-	-
Available for sale assets									
Membership interest in Chrysler (1)	20.00	-	165.00	165.00	165.00	165.00	165.00	165.00	165.00
Common shares in GM (1)	2,680.00	-	3,100.00	3,100.00	3,100.00	3,100.00	3,100.00	3,100.00	3,100.00
	2,700.00	-	3,265.00	3,265.00	3,265.00	3,265.00	3,265.00	3,265.00	3,265.00
	3,147.63	-	3,712.63	3,700.30	3,691.97	3,682.09	3,677.22	3,265.00	3,265.00

(1) the carrying value of these investments is equal to the current fair value of the investments

The financial projections in this plan are based on CDIC's preliminary expected IFRS 1 adjustments and policy selections using information currently available.

Appendix A

CANADA DEVELOPMENT INVESTMENT CORPORATION



Note - PPP Canada Inc has been proclaimed a parent Crown Corporation and although CDIC is its sole shareholder it has no further management responsibility for this company.

Appendix A (cont.)

CDIC Board of Directors

N. William C. Ross, LL.M. (2) (3)
Chairman
Canada Development Investment Corporation
Chairman Emeritus and Partner
WeirFoulds LLP
Toronto, Ontario

John James Hillyard, MBA (3)
Director
St. John's, Newfoundland and Labrador

Ted Howell, CA, MBA (1) (3)
Haronger Partners Inc.
St. John's, Newfoundland and Labrador

Mary Beth Montcalm, PhD (2)
Director
Toronto, Ontario

Mary Ritchie, FCA (1)
CEO
Richford Holdings Ltd.
Edmonton, Alberta

Benita M. Warmbold, FCA (1) (2)
Senior Vice-President and Chief Operations Officer
Canada Pension Plan Investment Board
Toronto, Ontario

CDIC Officers

Michael Carter
Executive Vice-President

Andrew Stafl
Vice- President

Patrice Walch-Watson
Corporate Secretary

Committees of the Board

(1) Audit Committee
(2) Nominating and Governance Committee
(3) Compensation Committee

Appendix B

CANADA HIBERNIA HOLDING CORPORATION

CORPORATE PLAN SUMMARY

FOR THE YEARS 2011 – 2015

December 9, 2010

CANADA HIBERNIA HOLDING CORPORATION

2011 CORPORATE PLAN SUMMARY

Table of Contents

1.0 Hibernia Project – Summary

Canada Hibernia Holding Corporation (CHHC) is a wholly owned subsidiary of Canada Development Investment Corporation (CDIC), a federal crown corporation. CHHC was established in March 1993, for the sole purpose of holding, managing, administering and operating the 8.5% working interest that CHHC acquired as a consequence of Gulf Canada withdrawing from the Hibernia project. Although the Hibernia field was discovered in 1979, oil production did not commence until November 1997 with the completion of the field facilities earlier that year.

CHHC's goals are as follows:

- To manage CHHC's investment in the Hibernia offshore oil development project to achieve optimum return, while ensuring that the financial and other obligations associated with the investment are satisfied.

- To have the investment in the Hibernia project ready for divestiture when so instructed by the shareholder.

CHHC achieves the first of the above goals through fulfilling its role as a non-operating interest owner of the Hibernia project and its role in managing the marketing and transportation of its share of Hibernia crude oil. Part of the role is filled through participation on the Hibernia Executive Committee, the Unit Operating Committee and the business and technical committees that oversee planning and operations. Further, CHHC manages its 25% interest in the MT Mattea time charter, its contractual capacity interest at Newfoundland Transshipment Terminal Ltd. (NTL), the marketing of CHHC cargoes of Hibernia crude and the associated transportation logistics.

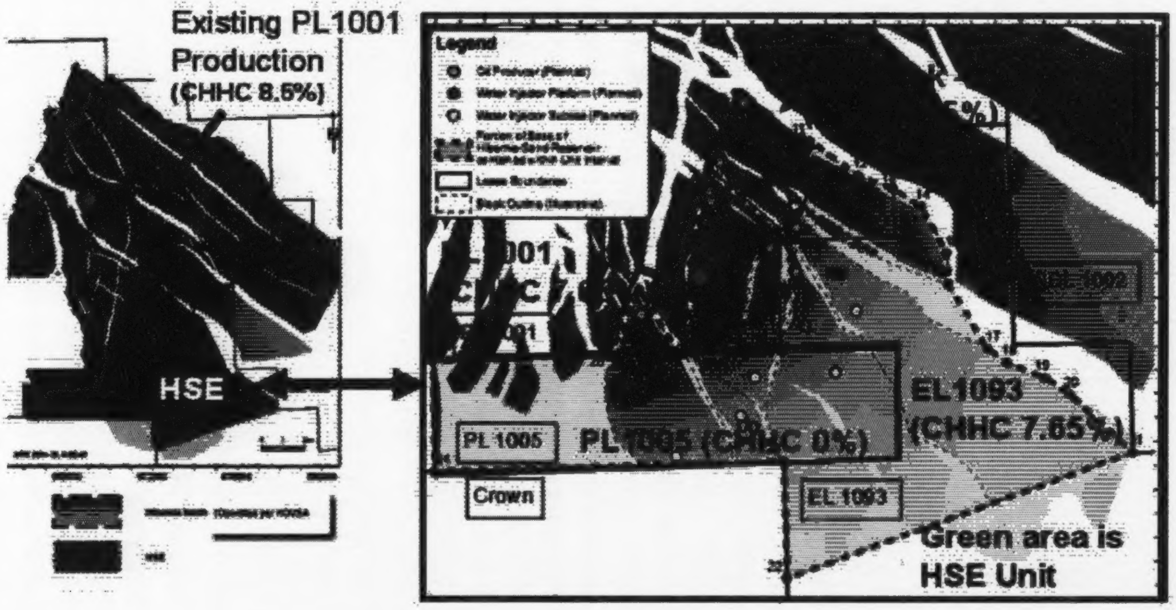
CHHC derives its cash flow solely from its Hibernia production operating activities and assets which include its share of Hibernia field production and its tanker asset.

The Hibernia field consists of the PL1001 production license area originally approved for development and the new Hibernia Southern Extension (HSE) area which comprises portions of PL1001, and all of PL1005 and EL1093. CHHC's interest in the existing production of PL1001 and the non-unit portions of the new HSE area in PL1001 is 8.5%. The other Owners in these PL1001 areas are: ExxonMobil (33.125%), Chevron (26.875%), Suncor (20.0%), Murphy (6.5%) and Statoil (5.0%).

In 2009, the Owners agreed to pool their ownership interests and form the Hibernia Southern Extension Unit (HSE Unit). In February 2010, Nalcor, the provincial oil company of the Province of Newfoundland and Labrador, acquired a 10% equity interest from all the Hibernia Owners, proportional to their working interest, in the HSE Unit.

The following diagram shows the CHHC working interests in the existing production PL1001 lease, the HSE non-Unit PL1001 AA block area and the new CHHC working

interest in the Unit portion of PL1001 and EL1093 leases after the sale to Nalcor. CHHC's initial HSE Unit working interest is 5.08482% which will be redetermined according to the adjustment process in the Unit Agreement. The HSE Unit comprises the combination of the areas identified below as the PL1005 (CHHC 0%), EL1093 (CHHC 7.65%) and PL1001 (CHHC 7.65%) areas. The area is also colored green below.



The project is operated by the Hibernia Management and Development Company (HMDC) on behalf of the owners, with the management, administrative and technical staff being provided under contract from ExxonMobil Corporation. The HSE Unit is operated in a similar manner.

While CHHC's initial share of funding was obtained through appropriations from Canada, funding since 1998 has come from the sale of CHHC's portion of crude oil produced at Hibernia. CHHC is responsible for having sufficient cash available to fund its capital and operating costs, royalties, taxes, administrative costs and future abandonment costs without further appropriations from the shareholder. CHHC is responsible for paying normal federal and provincial income taxes, royalties and Net Profits Interest[1] (NPI) on the same basis as it would if CHHC was a private sector company.

Cash in excess of operational requirements was initially used to repay the $431 million in appropriations from Canada and, subsequently, to pay dividends to its shareholder. CHHC forecasts that it will have paid cumulative dividends of $1.34 billion to the end of 2010.

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[1] In February 2009, CHHC began NPI payments of up to 10% to the Government of Canada. These payments will continue throughout the remaining life of the project.

Based on the 2011 Plan estimates and the September 2010 oil price forecast, CHHC forecasts that $104 million in dividends will be paid to the parent corporation during 2011.

All activities undertaken to date and contemplated in this business plan remain within the original mandate of CHHC.

2.0 Review of 2010 Operations

The 2010 financial performance was strong due to the high production rates and a relatively stable oil price which is expected to average CAD $78.43 per barrel for the year. CHHC's 2010 revenue is forecasted at $365.1 million compared to $270.8 million in the budget. The dividend forecast is $126 million compared to $82.5 million in the budget.

The average production for the year is expected to be 160,000 bopd, compared to 105,000 in the budget. The improvement is credited to successful workovers on existing wells and new wells. Total Hibernia operating costs were higher than forecasted due to increased well abandonment and workover activities. The CHHC share of operating costs will be $15.9 million. Total Hibernia capital expenditures will be less than budgeted due to lower drilling costs and deferral of some projects. CHHC's share of capital will be $23.8 million.

The major initiative for the Hibernia Owners in 2010 was the continuing effort to pursue development of Hibernia Southern Extension (HSE). On February 16, 2010, CHHC signed documents for the development of Hibernia Southern Extension (HSE) with the Government of Newfoundland and Labrador (the Province). Negotiations resulted in increasing the royalty in the HSE unitized area and in that portion of the original Hibernia lease (PL1001) outside of the original development plan (the AA blocks). The Owners sold a 10% interest in the Unitized area to Nalcor at a nominal price. The negotiation also resolved the long standing royalty transportation issue. Each Owner was then able to calculate the resulting Net Royalty Payout (NRP) date. As a result, the royalty rate changed from a 5% gross royalty rate to a 30% net royalty rate, effective in 2009.

HMDC, on behalf of the Hibernia owners submitted its HSE Unit Development Plan Amendment (DPA)to the Canada - Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) in January 2010. The C-NLOPB issued its approval for the HSE Unit Development Plan Amendment (DPA) on October 12, 2010 after receiving approval from the Province and Canada. Project Sanction by the Unit Owners will be considered after all federal and provincial consents and approvals have been achieved.

The major focus of capital spending and drilling is centered on a successful achievement of HSE development. Capital spending will grow through the plan until the HSE Unit development is completed. It is expected that significant relief to the future overall rate of field decline will be achieved through the drilling of additional producer-injector well pairs in HSE. The HSE Unit development plan involves drilling water injection wells utilizing a floating drilling rig, pipeline tie-in of these wells back to the Hibernia platform and drilling oil producing wells from the platform.

An Offshore Helicopter Safety Inquiry was established by the Canada - Newfoundland and Labrador Offshore Petroleum Board in respect of the tragic crash of a crew change

helicopter offshore Newfoundland and Labrador on March 12, 2009, in which 17 people were killed, two of whom were en route to the Hibernia platform. The Inquiry began on October 19, 2009 with Phase 1. This inquiry carried on into 2010 and involved extensive public hearings. The inquiry board continues with their investigation.

3.0 Marketing

The price that CHHC receives for their product is linked to the Dated Brent[2] benchmark which is used for supply pricing for refineries with access to waterborne crude. Like the U.S. West Texas Intermediate (WTI), Brent fluctuates with global supply and demand issues, including a wide range of geopolitical factors and is priced in U.S. dollars. CHHC's crude oil marketing arrangement was changed from the previous marketer to Suncor in 2009. In 2010, the Suncor arrangement was modified but extended on a renewable basis. .

CHHC continues to participate with other Hibernia and Grand Banks owners on a revised long term tanker cost sharing agreement.

4.0 Risk

This Corporate Plan has the normal variability associated with crude pricing, capital expenditures, operating expenditures and reservoir performance. Of these variables, the following are deemed key to CHHC for the 2011 Corporate Plan:

- Operational and technical issues and risks
- Commodity price risk
- Foreign currency risk
- Regulations and royalties issues and risks
- Environmental issues and risks
- Abandonment and risk reserve

For the HSE Unit expansion project, the major unpredictable uncertainties are related to reservoir quality, reservoir thickness, connectivity in the reservoir between wells and oil-water contact depth.

5.0 Organization

Since its inception in 1992, CHHC has been staffed by a modest number of experienced energy industry professionals. During 2010, the staff consisted of 5 full and part-time employees and 2 part-time consultants. Reservoir evaluation, legal, audit, insurance and other advisory services are also accessed when required.

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[2] Dated Brent is the price of Brent crude on any given day based on assessments by Platts and done after the London market close. Brent is the general name given a basket of four North Sea crudes (from Brent, Forties, Oseberg and Ekofisk fields) that are priced at the Sullom Voe terminal – Shetlands, U.K. and used as a reference price for other crude oils (primarily those transported by water to seaboard located refineries or terminals).

6.0 Objectives for 2011

CHHC's objectives and strategies for 2011 will focus on all Hibernia operations, including drilling, facilities expansion and upgrades, production, transportation, marketing, HSE Unit development and maximizing shareholder value. CHHC is committed to working in partnership with other Hibernia owners in all activities which preserve the working interest position which CHHC has in its Hibernia asset.

7.0 Financial Information – 2011 Plan

7.1 Financial Overview

In 2011, Hibernia production is forecasted by CHHC to average 150,000 bopd resulting in the sale of 4.84 million barrels.

Using a third party crude oil price and foreign exchange forecast as of September 15, 2010, CHHC forecast an average Dated Brent price forecast of USD$80.00 per barrel and an exchange rate of 1.04 USD to CAD, yielding a price of CAD$83.20/barrel, resulting in revenues of $413.9 million.

CHHC's share of project expenses for 2011 is forecast to be $20.2 million for operations (field & well, insurance, transportation & administration, less interest income). Net operating cash flow is forecast to be $175.1 million after royalty payments of $116.3 million, NPI payments of $36.3 million and taxes of $66.0 million. Operating costs for Hibernia are largely fixed costs that do not vary significantly with changing production volumes but are subject to inflationary pressures for oilfield services and the timing of well abandonments, maintenance and replacement of equipment.

CHHC's share of forecast capital and abandonment expenditures is $40.5 million, composed of $11.7 million for drilling, $21.9 million for facility projects and $6.9 million for abandonment. The capital budget includes funds for drilling, for gas lift equipment, for the offshore loading system replacement, for commencement of the HSE Unit development, and for well abandonment costs.

Based on the above estimates and the September 2010 oil price forecast, CHHC forecasts that $104 million in dividends will be paid to the parent corporation during 2011.

CHHC's cash flows are sensitive to crude oil price, exchange rates and production volumes. Sensitivities of these items on 2011 annual cash flows, after tax, are as follows:

<u>Item</u>	<u>Sensitivity</u>	<u>CHHC After Tax Cash Flow Change</u> **($CAD Million)**
Oil Price	US$ 1.00/barrel	$2.2
US$ Exchange Rate	$ 0.01	$1.7
Hibernia Production Volume	10,000 barrels of oil per day	$11.3*

*Note: The amount shown assumes there is a cash flow change for every additional barrel produced during the year. CHHC shares crude oil shipments at the GBS in cargo increments. Therefore production increases do not always directly translate into cash flow increases within a given year. A 10,000 bopd increase in platform gross production equals 310,250 additional barrels over the year for CHHC's interest.

7.2 International Financial Reporting Standards (IFRS)

The 2011 – 2015 Corporate Plan incorporates the principles of the IFRS provisions. CHHC has reviewed the available exemptions for first time adopters of IFRS (IFRS1) and presents its opening 2010 Statement of Financial Position (date of transition) using these accounting policies. The opening Statement of Financial Position fully restates CHHC's IFRS position on a retrospective basis.

7.3 2011 Proforma Financial Statements

See attached Schedules I, II and III.

Canada Hibernia Holding Corporation — **Schedule I**
Proforma Statements of Financial Position
December 31, 2009 To 2015
CAD$ millions

	GAAP	IFRS						
	2009	January 1 2010	2010	2011	2012	2013	2014	2015
Assets								
Current assets:								
Cash and investments operating	69.27	69.27	61.08	60.46	60.00	60.00	60.00	60.00
Accounts receivable	14.74	14.74	14.96	19.35	2.29	2.29	2.29	2.29
Income taxes receivable	7.66	7.66	-	-	-	-	-	-
Prepaid and deferred	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84
Inventory	6.94	24.27	10.08	37.07	36.33	15.30	15.37	5.34
Total current assets	**99.45**	**116.78**	**86.96**	**117.72**	**99.46**	**78.43**	**78.50**	**68.47**
Plant and equipment:								
Hibernia project facilities	612.37	612.37	635.75	667.16	687.39	723.99	764.65	791.66
Crude oil tanker	39.53	39.53	39.53	39.53	39.53	39.53	39.53	39.53
Total plant and equipment at cost	651.90	651.90	675.28	706.69	726.92	763.52	804.18	831.19
Less accumulated depletion and depreciation	(529.20)	(529.20)	(570.27)	(593.33)	(621.18)	(656.32)	(685.60)	(728.99)
Net plant and equipment	**122.70**	**122.70**	**105.01**	**113.36**	**105.74**	**107.20**	**118.58**	**102.20**
Other assets:								
Future income taxes	-		-	0.27	-		-	-
Cash held in escrow	2.55	2.55	5.69	5.69	5.69	5.69	5.69	5.69
Abandonment and risk fund	93.68	93.68	94.05	94.91	95.86	96.82	97.79	98.77
Total other assets	**96.23**	**96.23**	**99.74**	**100.87**	**101.55**	**102.51**	**103.48**	**104.46**
	318.38	**335.71**	**291.71**	**331.95**	**306.75**	**288.14**	**300.56**	**275.13**
Liabilities And Shareholder's Equity								
Current liabilities:								
Accounts payable and accrued liabilities	49.82	49.82	25.25	27.20	26.38	26.48	26.49	27.22
Income taxes payable	-	-	8.10	4.52	0.70	0.70	0.70	0.70
Current lease obligation	0.99	0.99	1.09	1.26	1.55	1.72	1.21	-
Due to shareholder	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Total current liabilities	**51.06**	**51.06**	**34.69**	**33.23**	**28.88**	**29.15**	**28.65**	**28.17**
Other liabilities:								
Long term lease obligation	6.97	6.97	5.74	4.48	2.93	1.21	-	-
Future income taxes	5.79	9.29	5.24	-	1.03	2.70	2.48	6.36
Asset retirement obligations	31.69	38.62	40.55	35.73	37.52	39.40	41.37	43.44
Total other liabilities	**44.45**	**54.88**	**51.53**	**40.21**	**41.48**	**43.31**	**43.85**	**49.80**
Shareholder's equity:								
Retained earnings	222.87	229.77	205.49	258.51	236.39	215.68	228.06	197.16
Total shareholder's equity	**222.87**	**229.77**	**205.49**	**258.51**	**236.39**	**215.68**	**228.06**	**197.16**
	318.38	**335.71**	**291.71**	**331.95**	**306.75**	**288.14**	**300.56**	**275.13**

Note: Cash flow fluctuates depending on Hibernia production volumes, on the price of crude oil, operating costs, royalties, taxes, major capital expenditures and third party revenues. Sensitivities of these items on 2011 annual cash flows, after tax, are shown in Section 7.1.

Canada Hibernia Holding Corporation **Schedule II**

Proforma Statements Of Operations And Retained Earnings

Years Ended December 31, 2009 To 2015

CAD$ millions

	GAAP	IFRS					
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Revenue							
Crude oil sales	266.15	365.12	413.90	356.60	347.10	297.82	293.65
Royalty	(64.55)	(103.16)	(116.32)	(106.13)	(97.85)	(81.88)	(94.27)
Net profits interest	-	(33.58)	(36.32)	(33.17)	(30.58)	(23.73)	(26.33)
Net crude oil sales	201.60	228.38	261.26	217.30	218.67	192.21	173.05
Interest income	0.32	0.84	1.40	1.55	1.56	1.57	1.58
Total revenue	**201.92**	**229.22**	**262.66**	**218.85**	**220.23**	**193.78**	**174.63**
Expenses							
Field operating	19.21	17.93	16.59	17.63	19.48	15.89	10.04
Transportation	5.30	6.34	2.04	2.12	2.10	2.23	3.07
Administration	2.37	2.36	2.28	2.40	2.38	2.45	2.52
Interest - capital lease	1.01	0.82	0.71	0.58	0.43	0.25	0.05
Depreciation & depletion	55.15	41.07	21.49	27.40	37.16	29.28	43.39
Accretion	3.14	1.93	2.03	1.79	1.88	1.97	2.07
Other	(2.43)	0.88	-	-	-	-	-
Total expenses	**83.75**	**71.33**	**45.14**	**51.92**	**63.43**	**52.07**	**61.14**
Net income before tax	**118.17**	**157.89**	**217.52**	**166.93**	**156.80**	**141.71**	**113.49**
Income taxes							
Future income tax	(11.66)	(4.05)	(5.51)	1.30	1.67	(0.22)	3.88
Actual current income tax	49.22	60.22	66.01	51.30	47.28	39.19	35.73
Total income taxes	37.56	56.17	60.50	52.60	48.95	38.97	39.61
Net income	**80.61**	**101.72**	**157.02**	**114.33**	**107.85**	**102.74**	**73.88**
Retained earnings:							
Beginning of year	234.26	222.87	205.49	258.51	236.39	215.68	228.06
IFRS conversion adjustments	-	6.90	-	-	-	-	-
Dividends	(92.00)	(126.00)	(104.00)	(136.45)	(128.56)	(90.36)	(104.78)
End of year	**222.87**	**205.49**	**258.51**	**236.39**	**215.68**	**228.06**	**197.16**

Note: Cash flow fluctuates depending on Hibernia production volumes, on the price of crude oil, operating costs, royalties, taxes, major capital expenditures and third party revenues. Sensitivities of these items on 2011 annual cash flows, after tax, are shown in Section 7.1.

Canada Hibernia Holding Corporation **Schedule III**

Proforma Statements Of Cash Flow

Years Ended December 31, 2009 To 2015

CAD$ millions

	GAAP	IFRS						
		January 1						
	2009	2010	2010	2011	2012	2013	2014	2015
Operating activities:								
Income for year	80.61		101.72	157.02	114.33	107.85	102.74	73.88
Non-cash deductions	42.13	3.50	40.71	31.03	49.34	38.91	35.23	43.39
Changes in non-cash working capital	(14.81)	(17.33)	3.92	(48.95)	(3.90)	21.87	(4.04)	16.97
Abandonment activities			-	(6.85)	-	-	-	-
Change in value of asset retirement obligation		6.93						
Change in retained earnings due to IFRS		6.90						
	107.93	**-**	**146.35**	**139.10**	**159.77**	**168.63**	**133.93**	**134.24**
Investing activities:								
Hibernia project facilities	(17.94)		(23.80)	(33.60)	(21.28)	(37.39)	(40.88)	(27.27)
Cash held in escrow			(3.14)	-	-	-	-	-
Abandonment and risk fund	(0.37)		(0.37)	(0.86)	(0.95)	(0.96)	(0.97)	(0.98)
	(18.31)	**-**	**(27.31)**	**(34.46)**	**(22.23)**	**(38.35)**	**(41.85)**	**(28.25)**
Financing activities:								
Dividends paid to Canada	(92.00)		(126.00)	(104.00)	(136.45)	(128.56)	(90.36)	(104.78)
Lease obligation payments	(0.96)		(1.23)	(1.26)	(1.55)	(1.72)	(1.72)	(1.21)
	(92.96)	**-**	**(127.23)**	**(105.26)**	**(138.00)**	**(130.28)**	**(92.08)**	**(105.99)**
Change in cash	**(3.34)**	**-**	**(8.19)**	**(0.62)**	**(0.46)**	**-**	**-**	**-**
Cash, beginning of year	**72.61**	**69.27**	**69.27**	**61.08**	**60.46**	**60.00**	**60.00**	**60.00**
Cash, end of year	**69.27**	**69.27**	**61.08**	**60.46**	**60.00**	**60.00**	**60.00**	**60.00**

Note: Cash flow fluctuates depending on Hibernia production volumes, on the price of crude oil, operating costs, royalties, taxes, major capital expenditures and third party revenues. Sensitivities of these items on 2011 annual cash flows, after tax, are shown in Section 7.1.